

IDAHO REAL ESTATE APPRAISER BOARD
Bureau of Occupational Licenses
700 West State Street, P.O. Box 83720
Boise, ID 83720-0063

Board Meeting Minutes of 2/6/2013

BOARD MEMBERS PRESENT: Brad Janoush - Chair
Darin D Krier
Douglas D Vollmer
Paul J. Morgan
Nancy Sommerwerck

BUREAU STAFF: Tana Cory, Bureau Chief
Dawn Hall, Administrative Support Manager
Lori Peel, Investigative Unit Manager
Maurie Ellsworth, Legal Counsel
Eric Nelson, Prosecuting Attorney
Roger Hales, Administrative Attorney
Maria Brown, Technical Records Specialist

OTHERS PRESENT: Kristi Klamet, ASC
Vicki Ledbetter Metcalf, ASC
Cheri Desaro, CRA-1638
Susan O'Ban, CRA-2283
Nathan Moody, RT-2932
Chris Stiles, LRA-2856
Anthony Hays, LRA-2885

The meeting was called to order at 8:02 AM MST by Brad Janoush.

APPROVAL OF MINUTES

The Board reviewed the 12/3/2012 minutes. It was moved by Ms. Sommerwerck to approve the 12/3/2012 minutes as written. Seconded by Mr. Vollmer, motion carried.

LEGISLATIVE REPORT

Ms. Cory gave the legislative report. The Board's Proposed Rule did pass in the House and Senate committees. It will go into effect as soon as the legislative session ends.

FINANCIAL REPORT

Ms. Hall presented the financial report, which indicates a cash balance of (\$81,366.15) as of 1/31/2013.

FORMAL DISCIPLINARY ACTION

Mr. Nelson presented a memorandum for case REA-2013-1. Mr. Morgan recused himself from discussion and voting on case REA-2013-1. Following review, it was moved by Ms. Sommerwerck to close case REA-2013-1 with a strongly worded warning letter. Seconded by Mr. Krier, motion carried.

\$\$INVESTIGATIVE REPORT\$\$

Ms. Peel presented the investigative report, which is linked above.

For Board Determination:

Case number I-REA-2013-12. Following review, it was moved by Mr. Vollmer to accept the Bureau's recommendation for closure for case I-REA-2013-12. Seconded by Ms. Sommerwerck, motion carried.

PROBATION REPORT

Ms. Peel presented the probation report.

FORMAL DISCIPLINARY ACTION

Ms. Peel presented the Board a Continuing Education Consent Order for case REA-2013-9. It was moved by Ms. Sommerwerck to accept the Continuing Education Consent Order for case REA-2013-9 and authorize the Board Chair to sign on behalf of the Board. Seconded by Mr. Krier, motion carried.

CORRESPONDENCE

Ms. Peel presented a request for a continuing education extension and approval to take a different course for case REA-2010-11. It was moved by Ms. Sommerwerck to approve the request for a six month continuing education extension, but to deny the request to take a different course. The licensee is to remain on probation until the course is taken and one additional log is submitted. Seconded by Mr. Vollmer, motion carried.

OLD BUSINESS

PROPOSED LAW AND RULE CHANGES

Mr. Hales addressed the Board on the proposed law and rule changes that the Board addressed during its 4/30/2012, 6/18/2012, 8/20/2012, and 12/3/2012 Board meetings. Mr. Hales stated that the Board's subcommittee has worked on the proposed rule changes and presented the Board with a draft. The Appraisal Subcommittee (ASC) did review the draft and had suggestions for additional rule changes to comply with the Dodd-Frank Act, the amended ASC Policy Statements, and the newly adopted Real Property Appraisal Qualification Criteria. The proposed rule changes are to the 2014-2015 edition of USPAP, the definition of accredited, the definition of Field Real Estate Appraisal Experience, the removal of the definition for a Nationally Recognized Appraisal Organization, original license via reciprocity fee increase, removing the segmented approach under requirements for licensure, adding a proctored exam requirement for online pre-licensure courses, adding credit toward completion of an accredited degree in real estate, adding foreign degree language, pre-licensure education for registered trainees applicants to be completed within the prior five years, requiring supervisors of registered trainees be certified appraisers for at least three years and not have been disciplined within the previous four years, adding a requirement that registered trainees obtain a "role of a supervisor and expectations of a trainee" course, updating the reference to the subsection for ad valorem tax appraisers, requiring supervising appraisers to sign all appraiser trainee appraisal reports, adding number of actual work hours to the scope of practice of registered trainees, adding language from Rule 401.03 to the continuing education section for registered trainees, removing the segmented approach from each license type and adding the new college requirements, and removing Rule 450.03.

Mr. Hales stated that he is in the process of drafting the proposed law change that would require a background check on new applications. New applications would be considered applicants who have never held the license type they are applying for in any jurisdiction. Ms. Klamet addressed the Board regarding the proposed changes and outlined which changes would need to take place within a change of policies by July 1, 2013. The Board agreed with these changes.

Ms. Klamet addressed the Board regarding the issue of reciprocal applicants and explained that if the Board chose to have a closed door policy, due to Dodd-Frank; it would need to research the rules from each of the states an applicant was licensed in to verify that Idaho exceeded that state's requirements for licensure. The other option was to have a more open door policy for reciprocal applicants. The Board agreed with a more open door policy regarding reciprocal applicants that would remove the requirement of determining if Idaho's requirements exceeded the applicant's state.

Ms. Klamet advised the Board that staff should be checking the National Registry for all applications, including initial licensure and upgrading a license. She noted that the Laws do not refer to registered trainees and only address a fee for continuing education courses and not pre-licensure courses. Ms. Klamet stated that the Board is welcome to forward the proposed law regarding background checks to the ASC for review and that Mr. Jim Park could provide the Board with a letter regarding the new federal requirement. The Board and Mr. Hales agreed that it would be helpful to the Board.

APPRAISAL SUBCOMMITTEE REVIEW UPDATE

Ms. Klamet introduced herself as well as Ms. Metcalf as policy managers for the Appraisal Subcommittee (ASC). She explained the role of the ASC and presented each Board member with the ASC's 2011 Annual Report and the newly adopted Real Property Appraisal Qualification Criteria. Ms. Klamet explained Title XI, the role of the Appraisal Foundation, and Dodd-Frank. She explained the current policy statements and that a final version of the updated policy statements would be released in the near future. She thanked the Board for their willingness to serve as Board members and explained the compliance review process. She informed the Board that it was the Idaho Real Estate Appraiser Board's 9th compliance review. She explained that a review is to ensure that a state is compliant with Title XI and meets the minimum requirements outlined in the Real Property Appraisal Qualification Criteria. She went over the following findings with the Board:

The Board's Laws and Rules – no problems were found.

Temporary Practice - no problems were found.

National Registry - no problems were found.

Application Process - no problems were found.

Reciprocal Applicants - no problems were found.

Education - no problems were found.

Enforcement – in 2011 there were 91 cases pending 40 were over 1 year old since the date of complaint. Currently, there are 57 new cases for a total of 148 cases. Of those, 129 have been resolved, 19 are pending and 7 are over 1 year old since the date of complaint.

Ms. Klamet congratulated the Board and staff for the work that's been done since the last review and stated that she would advise the ASC of the great progress that has been made in the area of enforcement.

The Chairman thanked Ms. Klamet and Ms. Metcalf for their input and constant help to the Board.

APPRAISAL MANAGEMENT COMPANIES

The Chairman updated the Board on the status of the legislation regarding appraisal management companies (AMCs) being worked on by various stakeholders within the profession. He stated that the committee has elected not to submit the AMC legislation during the current Legislative Session. Ms. Klamet gave the Board an update on the creation of AMC criteria that Dodd-Frank has tasked the ASC with. She stated that at this point, the work to create AMC criteria has not yet even begun and that it could be years before it's in place. Once it is created, states will have three years to implement the regulation of AMCs.

TO DO LIST

The Board reviewed the to do list. No action was taken.

NEW BUSINESS

CORRESPONDENCE

The Board reviewed an e-mail from Chris Kincaid regarding appraisal experience. The Board approved Mr. Kincaid's request based on the Appraisal Foundations AQB criteria that allows an applicant to claim up to 50% of their actual experience in this manner. The Board noted that each subject must be real property that actually exists and each appraisal must meet all USPAP requirements. The Board directed Ms. Brown to respond to Mr. Kincaid.

The Board reviewed a letter from Susan O'Ban regarding permission to evaluate commercial real estate values for Idaho Independent Bank. Mr. Ellsworth directed the Board to Idaho Code 54-4105(06) and advised the Board to suggest Ms. O'Ban seek her own legal counsel. The Board agreed and directed Ms. Brown to draft a response to Ms. O'Ban outlining Idaho Code 54-4105(06) advising her to seek her own legal counsel, and informing her that this type of work would not count as experience when applying to upgrade a license. Ms. Brown is to send the draft to the Chairman and Mr. Ellsworth for review prior to sending.

APPRAISAL FOUNDATION

The Board discussed the correspondence from the Appraisal Foundation regarding adopted changes to the Real Property Appraiser Qualification Criteria. No action was taken.

LICENSURE COUNT

The Board discussed the current licensee count.

ASSOCIATION OF APPRAISER REGULATORY OFFICIALS

The Board discussed the upcoming spring AARO conference. It was moved by Mr. Krier to send Ms. Brown and one available board member to the upcoming AARO conference and pay their registration and expenses. Seconded by Mr. Vollmer, motion carried.

EXECUTIVE SESSION

A motion was made by Ms. Sommerwerck that the Board go into executive session under Idaho Code § 67-2345(1) (d) to consider records that are exempt from disclosure under the Idaho Public Records Law. The purpose of the executive session was to consider license application materials. Seconded by Mr. Morgan. The vote was: Mr. Morgan, aye; Mr. Janoush, aye; Mr. Vollmer, aye; Mr. Krier, aye; and Ms. Sommerwerck, aye. Motion carried.

It was moved by Ms. Sommerwerck that the Board enter regular session. Seconded by Mr. Vollmer. The vote was: Mr. Morgan, aye; Mr. Janoush, aye; Mr. Vollmer, aye; Mr. Krier, aye; and Ms. Sommerwerck, aye. Motion carried.

APPLICATIONS

Approved for licensure by examination

It was moved by Mr. Morgan to approve the following applicant for licensure by examination:

HAYS ANTHONY BOWMAN	CRA
JACKY CHRISTOPHER W	CRA
MOODY NATHAN JAY	CRA
KIRKHAM BRIAN KEITH	CGA
STILES CHRISTOPHER GEORGE	CRA

Seconded by Mr. Vollmer, motion carried.

Pending

It was moved by Mr. Morgan to hold the following applications pending further information:

901112587
901114002

Seconded by Mr. Vollmer, motion carried.

FUTURE BOARD MEETING DATES

February 6, 2013
April 22, 2013
June 10, 2013
August 19, 2013
October 15, 2013
December 2, 2013

ADJOURNMENT

It was moved by Mr. Vollmer that the meeting adjourn at 1:26 PM MST.
Seconded by Ms. Sommerwerck, motion carried.